



AUDIT COMMITTEE

Report to the
Board of Harbor Commissioners

FOR INFORMATION ONLY

DATE: OCTOBER 4, 2019

TO: THE BOARD OF HARBOR COMMISSIONERS THROUGH AUDIT COMMITTEE

SUBJECT: OCTOBER 2019 PROJECT DEVELOPMENT COMMITTEE REPORT

This report highlights the actions taken by the Project Development Committee (PDC) at its October meeting. On October 2, 2019, the PDC met to consider seven project items. The committee also reviewed administrative reports regarding recently opened work orders, the status of the unallocated Capital Improvement Program (CIP) fund budget, and the GASB 49 project list. The meeting minutes (Transmittal 1) and Unallocated CIP Fund Report FY 2019/2020 (Transmittal 2) are attached for your review.

The following is a summary of the meeting minutes by category:

- 1) Schedule change – Three items were submitted and approved.
- 2) Budget/Schedule/Scope change – Three items were submitted and approved.
- 3) New project – One item was submitted and approved.

The Board of Harbor Commissioners (Board) approved \$14,000,000 in the fiscal year 2019/2020 CIP budget for unallocated capital improvements. This budget is used to fund new multi-year projects or fully fund projects within the current fiscal year. New projects at or in excess of \$100,000 are presented to the PDC for consideration. Projects under \$100,000 are reported to the PDC for information. The PDC meeting minutes are then transmitted to the Board for information.

The following is a summary of projects that are expected to utilize the unallocated CIP budget for fiscal year 2019/2020 to date:

- 11 PDC-approved project totaling \$6,011,000
- 16 projects under \$100,000 totaling \$958,995

There are various Board-approved resources available to move these projects forward. These include in-house staff, on-call consultant contracts, on-call site and marine improvement contracts, and annual contracts for supplies and materials. All of these are approved by the Board either as part of the annual budget approval process or as multi-year contracts that have received separate Board approval.

A handwritten signature in black ink, appearing to read 'E. Seroka', with a long horizontal flourish extending to the right.

EUGENE D. SEROKA
Executive Director

Attachments:

Transmittal 1: October 2019 PDC Pandect

Transmittal 2: Unallocated CIP Fund Report FY 2019/2020

AVG/mz

BUDGET CHANGE, SCHEDULE CHANGE**SUBJECT****ORIGINAL PROJECT COST** \$1,378,000**249 CANNERY STREET BUILDING DEMOLITION - BUDGET AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval to increase the cost and change the schedule for the 249 Cannery Street Building Demolition project, which will demolish the former steam plant building and pave the site for use as parking.

The Engineering Division recommends increasing the budget from \$1,378,000 to \$2,230,000 to account for the addition of a Low Impact Development (LID) stormwater treatment system and updates and revisions to the construction cost estimate. Details of the revisions are below:

- 1.Higher than estimated costs for building demolition and mobilization to the site, including more extensive than anticipated foundation removal work.
- 2.Higher than anticipated lead and asbestos remediation, due to an underestimate of the window area of the building and the presence of contaminated debris throughout the site.
- 3.Higher than estimated costs for grading due to constricted site.
- 4.A higher than anticipated cost to dispose of soil excavated from the site, under the assumption that it will be hazardous. The soil will be tested and will be disposed of at a lower cost if the results indicate lesser contamination.

The Engineering Division recommends adding three additional months to the schedule to allow for delays due to re-evaluation of the project estimate.

The total project cost is \$2,230,000 and the project will be completed by March 31, 2020.

PDC ACTION Approved

COMMENT No comment.

BUDGET CHANGE, SCHEDULE CHANGE, SCOPE CHANGE

SUBJECT**ORIGINAL PROJECT COST** \$700,000**SOUTHERN CALIFORNIA INTERNATIONAL GATEWAY (SCIG) PROJECT ENVIRONMENTAL ASSESSMENT – SCOPE, BUDGET, AND SCHEDULE CHANGE****SUMMARY**

Staff requests approval of the scope, cost and schedule change for the Southern California International Gateway (SCIG) Project environmental assessment required pursuant to a Court Order. The revised scope of work includes additional air quality analyses, expanded documentation leading to publication and circulation of a Draft environmental assessment, and additional review time as requested by legal. The estimated cost increase is \$85,000. An eight-month schedule extension is needed to finish the Draft environmental assessment and to reset the schedule for the Final environmental assessment. The total project cost is now \$785,000 and the project schedule will be extended by eight months from December 1, 2019 to August 1, 2020.

The cost of the environmental assessment is 100% reimbursable through the Harbor Department's Reimbursement Agreement with BNSF Railway that was approved by the Board on October 11, 2018. Pursuant to the agreement, BNSF Railway has agreed to the scope, cost and schedule changes that are being requested by staff under legal direction.

PDC ACTION Approved**COMMENT** No comment.**SUBJECT****ORIGINAL PROJECT COST** \$34,015,000**PIER 400 CORRIDOR STORAGE TRACKS EXPANSION - SCOPE, BUDGET, AND SCHEDULE CHANGES - SCOPE, BUDGET, AND SCHEDULE CHANGES****SUMMARY**

Staff requests approval for additional scope, cost increase, and schedule change to the Pier 400 Corridor Storage Tracks Expansion project.

The Engineering Division requests approval to increase the scope of work by expanding the project limit to the north and relocate a portion of the Pier 400 lead track onto Department property. This request also includes an increase to the scope of work to add light poles to the project, increase the budget to accommodate cost increases of the rail bridge, and modifications to Reeves Avenue. These changes require an increase in the budget from \$34,015,000 to \$47,250,000.

The Engineering Division recommends adding 12 months to the schedule for additional work to meet Caltrans requirements for NEPA Environmental Documentation, design of increased scope, and for additional time to procure materials in order to meet Buy America requirements stipulated by the project's grant funding. The proposed Construction completion date is December 31, 2022.

PDC ACTION Approved**COMMENT** No comment.**NEW PROJECT**

SUBJECT
LIBERTY HILL PLAZA ATRIUM SKYLIGHTS REPLACEMENT – NEW PROJECT

ORIGINAL PROJECT COST \$600,000

SUMMARY

Staff requests approval to initiate a new project to replace the skylights in the atrium of Liberty Hill Plaza.

The proposed work includes removal of the existing atrium skylights and installation of new skylights.

The total project cost is \$600,000 and the project will be completed by June 30, 2020.

PDC ACTION Approved

COMMENT No comment.

SCHEDULE CHANGE

SUBJECT
WILMINGTON WATERFRONT PROMENADE - SCHEDULE CHANGE

ORIGINAL PROJECT COST \$52,700,000

SUMMARY

Staff requests approval to extend the Wilmington Waterfront Promenade schedule by four additional months for a new project completion date of November 2022. There is no increase in the budget.

The Engineering Division recommends adding four months to the schedule to allow for delays due to the following:

1.Design changes at the “Water Steps” area to address:

- a.recent concerns regarding public safety at this feature of the promenade that currently does not have a raised barrier
- b.access deficiencies related to the Americans with Disabilities Act (ADA)

2.Delays in obtaining a regulatory permit for the in-water work

PDC ACTION Approved

COMMENT No comment.

SUBJECT
BERTHS 238-239 MARINE OIL TERMINAL ENGINEERING AND MAINTENANCE STANDARDS – PBF ENERGY - SCHEDULE CHANGE

ORIGINAL PROJECT COST \$25,675,000

SUMMARY

Staff requests approval to extend the Berths 238-239 Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) – PBF Energy schedule by two years for construction and an additional eight-months for design with no additional increase in the budget.

The Engineering Division recommends adding a two year and eight-month schedule extension due to the increased construction duration of the first phase of the project, addition of a second construction phase to the project, and to accommodate for tenant design delays due to changes to the fender system, platform deflection requirements, and inclusion of a lighting system into the scope of work.

PDC ACTION Approved

COMMENT No comment.

SUBJECT

ORIGINAL PROJECT COST \$9,500,000

HAB HVAC REPLACEMENT - SCHEDULE CHANGE

SUMMARY

Staff requests approval to extend the HAB HVAC Replacement Project schedule by six additional months with no additional increase in the budget.

The Engineering Division recommends adding six additional months to the schedule to incorporate design revisions, coordinate with the 4th Floor and 5th Floor Workspace Solution Projects, and allow for longer than anticipated Department of Building and Safety plan check and permit approval process. A future PDC action may be necessary to increase the budget depending on bids received for construction. At this time it is unknown how restrictive the construction market may be and how a shortage of resources may affect construction cost.

PDC ACTION Approved

COMMENT No comment.

ADMINISTRATIVE ITEM No Grants Report. GASB49 Reviewed.


ACTION ITEM FOLLOW UP

WORK ORDER REPORT REVIEWED

UNALLOCATED BUDGET REPORT REVIEWED

ADDITIONAL DISCUSSION


Antonio V. Gioiello
Development


Michael DiBernardo
Marketing and Customer Relations

Unallocated Capital Improvement Program Fund FY 19/20

(Budget set in February)

\$ 14,000,000.00

PDC Approved Projects

Port Cyber Resilience Center (25555)	\$	(1,600,000.00)
B. 84 - Maritime Museum - Plumbing Upgrades (25560)	\$	(745,000.00)
Port of Los Angeles Police Headquarters - Mass Notification System (25561)	\$	(388,000.00)
Harbor Department Administration Building - 1st Floor Employee Restrooms and Showers Remodel (25562)	\$	(200,000.00)
Wilmington Waterfront - Building Demolition (25570)	\$	(688,000.00)
Harbor Administration Bldg. - Lower Deck Patio (25572)	\$	(905,000.00)
B. 195-196 - Underwharf Backflow Work Platforms (25573)	\$	(185,000.00)
B. 91-93 - Passenger Terminal Gangways - Sheet Metal Replacement (25575)	\$	(50,000.00)
B. 100 - West Basin Container Terminal (WBCT) - Advanced Infrastructure Demonstration (25576)	\$	(250,000.00)
Pier 400 (APM) Terminal - Electrical Infrastructure for Electrical Container Handling Equipment (25587)	\$	(400,000.00)
Liberty Hill Plaza Atrium Skylights Replacement (_____)	\$	(600,000.00)
<i>Subtotal PDC Approved Projects</i>	\$	<i>(6,011,000.00)</i>

Projects Under \$100,000

B. 302-305 - Fenix Marine Services - Transportation Improvements Project (25564)	\$	(95,000.00)
B. 121 - Position Indicator Valve Replacement (25565)	\$	(90,000.00)
B. 300 - Rail Yard Control Switches Replacement (25566)	\$	(85,000.00)
B. 90-91 - Baggage Handling Building Fire Alarm Notification System (25567)	\$	(40,000.00)
Port of Los Angeles Police Headquarters - Furniture Reconfiguration (25569)	\$	(25,000.00)
300 Water Street - Electrical Upgrades (25574)	\$	(53,000.00)
B. 91-92 - Passenger Terminal - Check-In Counter Outlets (25577)	\$	(42,500.00)
B. 93 - Passenger Terminal - Workstation Outlets (25578)	\$	(12,000.00)
POLA Facilities - Front Entrance Public Safety (25581)	\$	(60,000.00)
Port of Los Angeles Police Headquarters - 9-1-1 Public Safety Answering Point (PSAP) System (25582)	\$	(33,000.00)
Liberty Hill Plaza - Change of Use Improvements (25583)	\$	(65,000.00)
Wilmington Waterfront Park Barbeque Grill Replacement (25584)	\$	(34,000.00)
B. 161 - HVAC Shop Re-Roof (25586)	\$	(90,000.00)
B. 59 - Fire Protection System (25588)	\$	(95,506.00)
B. 60 - Fire Protection System (25589)	\$	(98,989.00)
B. 73 - Utro Building HVAC Unit Replacement (25590)	\$	(40,000.00)
<i>Subtotal Projects Under \$100,000</i>	\$	<i>(958,995.00)</i>

Balance as of September 25, 2019

\$ 7,030,005.00

Transmittal 2